

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
November 29, 2007
Lansing, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Ted B. Wahby, Chair
 Linda Miller Atkinson, Vice Chair
 Jerrold M. Jung, Commissioner
 James R. Rosendall, Commissioner
 James S. Scalici, Commissioner

Also Present: Kirk T. Steudle, Director
 Larry Tibbits, Chief Operations Officer
 Leon Hank, Chief Administrative Officer
 Frank E. Kelley, Commission Advisor
 Marneta Young, Commission Executive Assistant
 Jerry Jones, Commission Auditor, Office of Commission Audit
 Patrick Isom, Attorney General's Office, Transportation Division
 John Friend, Bureau Director, Highway Delivery
 John Polasek, Bureau Director, Highway Development
 Myron Frierson, Bureau Director, Finance and Administration
 Susan Mortel, Bureau Director, Transportation Planning
 Rob Abent, Bureau Director, Aeronautics and Freight Services
 Tim Hoeffner, Administrator, Intermodal Policy
 Sharon Edgar, Administrator, Bureau of Passenger Transportation
 Melvin Williams, Administrator, Freight Services and Safety Division

Excused: Maureen Miller Brosnan, Commissioner

A list of those people who attended the meeting is attached to the official minutes.

Chair Wahby called the meeting to order at 9:00 a.m. in the Bureau of Aeronautics Auditorium in Lansing, Michigan.

I. COMMISSION BUSINESS

Commission Minutes

Chair Wahby entertained a motion for approval of the minutes from the State Transportation Commission meeting of October 25, 2007.

Moved by Commissioner Atkinson, with support from Commissioner Rosendall, to approve the minutes of the Commission meeting of October 25, 2007. Motion carried.

II. **OVERSIGHT**

Commission Agreements (Exhibit A) – Myron Frierson

Mr. Frierson presented information on 45 agreements. Pending any questions, Mr. Frierson asked for approval of Exhibit A; none were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Rosendall and supported by Commissioner Atkinson to approve Exhibit A. Motion carried on a unanimous voice vote.

Bid Letting Pre-Approvals (Exhibit A-1) – Myron Frierson

Mr. Frierson reported that for the letting that occurred on November 2, 2007, 24 State projects with a total engineers' estimate of \$51.6 million were let. The low bids received on these projects totaled \$44.0 million. In November 2006, 39 State projects were let with low bids totaling \$89.8 million, an average of \$2.3 million per project let.

As of September 17, 2007, it was estimated that 341 State projects with construction costs totaling \$696.9 million would be let during the 2008 fiscal year. Through November of this year, 67 State projects with engineers' estimates of \$88.6 million were let, representing 12.71% of the total amount projected to be let this fiscal year. The department's letting schedule has proceeded as planned.

In addition to the State projects let, 8 Local program area items let for the November 2007 letting included projects in the Jobs Today program.

There are currently 33 State projects with engineers' estimates totaling \$101.7 million scheduled to be let on December 7, 2007. Twenty-six of the State items have warranties. Of all the items scheduled to be let, 6 include work in the Jobs Today program.

For the benefit of new members to the Commission, and there being no December meeting, Mr. Frierson stated that the department will be asking for a waiver for the January 2008 lettings so that there will not be a delay in awarding the January projects.

No questions were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Jung and supported by Commissioner Scalici to approve the November bid letting. Motion carried on a unanimous voice vote.

There is no Exhibit A-2 for this month.

Contract Adjustments (Exhibit B) – John Friend

Mr. Friend provided information for 8 MDOT and 10 Local projects along with making several corrections to two projects:

MDOT Overrun 2007-40 (20 bridge maintenance projects on I-69...in the cities of Charlotte and Pottersville, Eaton County)—the *revised total should read \$1,404,671.34*

instead of \$1,404,576.34.

Local Agency summary for Extra 2007-184 (remove existing structure and construct..., in the city of Albion, Calhoun County)—column heading “*previously before the Commission*” should indicate “yes” instead of “no”; column heading “*reason for review*” should indicate 57.22% instead of 13.53%. Additionally, this project encountered substantial contaminated soil issues. Region Engineer, Bobbi Welke, has indicated that cost recovery will need to be pursued with the city of the local utility company. The Attorney General is involved and we have a very strong position in this case.

MDOT Extra 2007-181 (2.66 miles of concrete road reconstruction...in the City of Detroit, Wayne County) is a cost savings to the department that went through the value engineering process. Even though it shows we are asking for approval of just over \$1 million, the value engineering proposal that came in actually saved us just over \$100,000.

MDOT Extra 2007-183 (2.48 miles of hot mix asphalt reconstruction,...in the cities of Dearborn and Detroit, Wayne County) has a fair amount of off-sets that off-sets the amount of money we are asking for.

Pending any questions, Mr. Friend asked for approval of Exhibit B.

Commissioner Atkinson had no questions but thanked Mr. Friend for taking care of a number of questions in advance, especially his analysis about the cost recovery.

No questions or other comments were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Atkinson and supported by Commissioner Rosendall to approve Exhibit B. Motion carried on a unanimous voice vote.

III. **PRESENTATIONS**

FHWA Exemplary Ecosystem Initiative Award for Exceptional Environmental Stewardship; Southeast Michigan Greenways Initiative – Charles O’Neill, Division Right-of-Way Program Manager

The Greenways Project is an ongoing, comprehensive, collaborative, multidimensional, region-wide enterprise plan, to develop and finance a network of greenways to serve southeast Michigan. The project was launched by public agencies and private interest groups as a means to create and restore green spaces. Its core mission is to create non-motorized trails as a transportation mode choice in developed areas while nurturing and preserving green space and providing trails in undeveloped areas of the region.

The Greenways addresses the following functions: recreation, transportation, education and interpretation, conservation, water quality, tourism and economic benefits. It provides natural habitat, wildlife migration opportunities, ameliorates urban impacts on water features, and enhances human ecology.

The planning phase of the project was funded by federal transportation enhancement activity funds, state planning and research program funds. The project began in 1995 and resulted in publication in 1998 of "*A Vision for Southeast Michigan Greenways*", regional plan. A GIS data base was developed based on input from a broad range of partners (citizens, local governments, regional and state government agencies, environmental groups) in each county, which documented potential corridors, natural areas, land uses, existing public parks and preserves, and trails/greenways. A Regional Advisory Committee converted the county input into a region-wide network of corridors connecting with each other and with natural resources and population centers.

Among the leaders in moving this initiative was the Community Foundation for Southeastern Michigan which created the Greenways Initiative in 2001. This Initiative serves as the fiduciary in receiving philanthropic donations and disbursing grants. The initial privately donated capitalization of \$25 million has leveraged over \$82 million from public and private sources. The Michigan Trails and Greenways Alliance, formerly the Rails to Trails Conservancy, played a large role in identifying the corridors and coordination.

MDOT submitted the nomination for the "Exemplary Ecosystem Initiative" award on March 31, 2006. The FHWA announced the Southeast Michigan Greenways Initiative as an Exemplary Ecosystem on October 27, 2006.

Tom Woiwode, as Director, accepted the award on behalf of the Greenways Initiative Community Foundation for Southeastern Michigan; Nancy Krupiarz, as Executive Director, accepted the award on behalf of the Michigan Trails and Greenways Alliance (formerly Michigan Field Office, Rails to Trails Conservancy); Chair Wahby and Director Steudle accepted the award on behalf of the Commission/Department. Mr. Woiwode, Ms. Krupiarz and Director Steudle all thanked FHWA for the award.

Draft 2008-2012 Five Year Transportation Program – Craig Newell, Administrator
Statewide Planning

Overview of Program

As with the previous Five Year Transportation Program, this program is multi-modal. It includes five years of investments for the Highway, Aviation, Transit, Rail, and Marine and Port programs. A project list for the Highway Program is included as well as revenue projections and investment strategies.

This program continues to focus on system preservation and safety while supporting job creation and economic opportunities. It continues to implement the Jobs Today initiative that began in 2006; \$63 million will be invested in Jobs Today projects in 2008, the final year of the 3-year initiative.

MDOT will invest more than \$8.4 billion dollars over the 5-year timeframe with a balanced and comprehensive Program to support and grow Michigan's economy and protect Michigan's quality of life.

The 2007-2011 Five Year Program presented last January was not constrained to the estimated revenue available. At the time it was indicated that revenues would be monitored and adjustments made to the program as necessary to achieve financial constraint—this has been done. Federal and State revenue estimates have been updated and we have met with program managers to make the necessary reductions within this Five Year Program, including a \$75 million reduction to the Road Rehabilitation and Reconstruction program. Because we were able to advance work through the Governors Jobs Today Initiative, the Highway Program beginning in 2009 is smaller than it has been in recent years.

The Department has achieved the 2007 pavement condition goal of having 90% of MDOT pavements in good condition; however we will not be able to sustain that condition given the current level of investment. We continue to make progress in improving the condition of MDOT's bridges. Although, we will be unable to achieve the 2008 overall bridge condition goal of 92%, we were able to achieve the goal of having 85% of all non-freeway bridges in good condition and will be able to sustain that condition level into the future.

Review of Revenues Available

Of the Federal funds coming to Michigan, it is estimated that \$3.9 billion will be available for the Highway Program over this 5-year timeframe (87% obligation authority limit). Roughly \$100 million in earmarks are dedicated to Highways in this Five Year Program. Revenues for the non-highway programs are supported by a number of program-specific state and federal revenues.

Aviation funding assumes the continuation of federal funds based on the Century of Aviation Reauthorization Act known as *Vision 100*.

The majority of the State's federal transit funding is not included in MDOT's five year program because it is granted directly to local transit agencies and does not go through the Department. Federal transit funding realizes moderate growth under SAFETEA-LU authorizations.

Federal funding for rail passenger and marine passenger programs is intermittent, based on congressional earmarks and special projects. For the purpose of this plan, no federal rail or marine funding has been included, nor have the SAFETEA-LU new starts earmarks. Funding levels for the local grade crossing program are based on SAFETEA-LU estimates.

The total state Highway revenue available for this Five Year Program, including bond revenue and accounting for debt service, is estimated at \$2.2 billion for capital outlay and maintenance activities; \$76 million of the Highway Program will be supported with Grant Anticipated Revenue Vehicle (GARVEE) notes that were previously authorized.

State Aviation revenues consist of appropriations from the State Aeronautics Fund and Airport Parking Tax revenue. We have assumed a slight decrease in Aviation revenue due to reduced receipt of state aviation fuel taxes.

We have assumed no CTF revenue growth over the 2008 appropriation level, which are based on full restoration of the prior year sales tax reductions. However, revenues to the CTF may not be able to sustain the FY 2008 appropriation levels and thus the base year funding estimates may be overstated.

Total revenue available for the Program is estimated at \$8.47 billion—\$6.2 billion available in Highway Revenues and almost \$2.3 billion in Bus, Marine, Rail and Aviation Revenue.

Total investment for this Program is \$8.45 billion—approximately one quarter of these investments are dedicated to funding Multi-Modal transportation, \$2.26 billion is dedicated towards the aviation, public transit, marine, and rail programs, and nearly \$6.2 billion will be invested in the state highway system.

This Program continues to emphasize a safe and secure system. It integrates programs and ensures efficient program development strategies are implemented to effectively utilize our limited resources. Projects strive to maximize mobility and operation of the transportation system. This Program is in alignment with the goals that have been identified in the State Long Range Plan known as ‘MI Transportation Plan’.

The total annual average for Highway Program investment (program size) is roughly \$1.24 billion dollars. Preserving and maintaining roads and bridges accounts for approximately \$934 million of the Highway Program annually.

The majority of MDOT’s multi-modal program consists of preserving the existing infrastructure and service levels. The majority of the federal and state multi-modal funding managed by MDOT will be focused on preservation activities such as: preserving, maintaining, and enhancing safety for locally owned aviation infrastructure; preservation of existing local transit services through operating assistance; preservation and maintenance of existing locally owned transit infrastructure; and preservation and maintenance of existing intercity bus and rail services by providing financial assistance to service providers. MDOT intercity service contracts and routine capital maintenance are critical to the preservation of existing public transportation services. The Michigan Rail Loan Assistance Program known as MIRLAP continues in 2008.

The department is currently analyzing strategies that will help maintain the recent strides we’ve achieved in pavement system condition in an effort to reduce the forecasted decline (through 2014).

Steady progress has been made toward improving the condition of MDOT bridges. The condition in 2008 is projected to be approximately 87% good and we are forecasting that this level can be sustained into the future.

A safe and secure transportation system is one of the key elements of this Five Year Program. The Railroad Grade crossing and the All Weather Airport Access Programs will continue. The Department continues to invest to reduce fatalities. In 2006, there were 1,084 motorist fatalities in Michigan, 458 of them were on MDOT trunklines. A

total of \$344 million will be invested in the comprehensive safety program to improve signs, signals, guardrails, pavement markings and intersections. Continued safety oversight of passenger transportation services will include licensing and safety inspections of for-hire motor coaches and limousines, oversight of the Detroit People Mover, and federal drug and alcohol compliance oversight of transit agencies.

MI Transportation Plan Implementation

With the additional funding provided under SAFETEA-LU this Five Year Program invests \$195 million in the Congestion Mitigation and Air Quality (CMAQ) Program. CMAQ funds will continue to support the MichiVan program and Local CMAQ funding, matched with state transit dollars, will continue to assist transit agencies in eligible areas to replace older model buses with newer, lower emission vehicles.

The Workzone Mobility Initiative is being implemented in order to reduce construction related delay, congestion and vehicle emissions. The ITS Program will have \$69 million invested in order to improve operations of our highway system.

Investments for other programs totaling \$583 million include Federal Programs, i.e. Enhancement, Railroad Crossings, Noise Abatement, Pump Stations, Freeway Lighting and Safe Routes to Schools, and State Programs, i.e., Economic Development, Advanced Right of Way Acquisition and the Michigan Institutional Roads Program.

The Highway Capacity Improvements and New Roads Program is a \$329 million program aimed at relieving congestion with \$61 million of this investment coming from the Jobs Today initiative.

Some examples of the projects that are currently in various phases of development include interchange improvements at I-96/Wixom Road in Oakland County and at US-31/Sternberg road in Muskegon County; the Bluewater Bridge Plaza Project; the Detroit River International Crossing study; and, the Construction of a new road, M-231, in Ottawa County. There are plans for facility improvements at airport terminals; however, funding is limited for expansion of passenger facilities that service intercity bus, passenger rail and local transit. Given these funding constraints the primary focus will be on maintenance of existing passenger facilities.

This Program supports economic activity throughout the state. The Highway Program will support over 24,000 jobs. The Transportation Economic Development Fund supports economic development opportunities throughout Michigan. These investments will support Michigan's target industries and help relieve urban congestion.

As we've worked to develop this Five Year Program, an interdisciplinary team was pulled together to identify our future focus on department goals, objectives and performance measures. Using the MI Transportation Plan as the framework, the team has developed broad, multi-modal objectives and performance measures that are aligned with the Plans four goal areas and implement the direction or vision of the long range transportation plan. Twelve interim objectives encompassing all modes have been identified addressing the four goal areas of Stewardship; Safety and Security; System Improvement; and Efficient and Effective Operations.

We plan to come back to the Commission in the near future to seek input on these focus areas. We believe this Five Year Program is in alignment with the focus areas that have been identified and is a step in implementation of the MI Transportation Plan.

Approval to Conduct Public Listening Sessions

Our next steps involve collecting and incorporating any Commission comments into the Draft, posting the draft document on the website for public review and comment, holding Public Input Meetings with the public from Nov. 29th – Dec. 4th, and return to the January 2008 Commission meeting for final approval of the Program.

Mr. Newell asked permission to move forward with the Public Input Meetings. MDOT's Appropriations Bill requires the department to provide to the legislature, State Budget Office and the House and Senate Fiscal Agencies, the Five Year Transportation Program before March 1st.

Commissioner Atkinson asked, with respect to the Public Input Meetings, what format do they have for collecting and recording the input obtained—is there a check-list, a written survey, etc.

Mr. Newell answered that his understanding is that there will be a couple opportunities to collect the input—written comments can be left at the site, as well as the possibility of the public being able to leave electronic comments on the MDOT public website. As in the past, all comments will be compiled and sorted according to similarity.

Commissioner Atkinson then asked if it would then be their intention to bring that digest back to the Commission in January.

Mr. Newell answered yes.

No other questions were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Atkinson and supported by Commissioner Rosendall granting permission for the department to conduct Public Input Meetings. Motion carried on a unanimous voice vote.

IV. DIRECTOR'S REPORT – DIRECTOR KIRK T. STEUDLE

This months' report is shared with Mark VanPortFleet, Highway Development Design.

Director Steudle suggested that during future Commission meetings, beginning in 2008, the department would highlight specific programs of the Five Year Transportation Program on a shorter condensed version. This would be coordinated through the Commission Office along with suggestions for Program topics of most interest.

Annual Context Sensitive Solutions Report

Currently the department is working on is the development of Guidelines for Context Sensitive Solutions and Stakeholder Engagement. This brief guide is intended to provide

assistance to MDOT staff as they work with stakeholders during program and project development. Because of the effective partnerships that the department has with agencies such as the American Council of Engineering Companies (ACEC) and MITA, the department has implemented the MDOT/Stakeholder Engagement Steering Committee. The Committee was formed to create an ongoing relationship with stakeholder organizations and it will meet 3-4 times per year. It has met 2 times this year and is in the process of reviewing portions of MDOT's proposed Guidelines for Context Sensitive Solutions and Stakeholder Engagement.

In partnership with ACEC we have developed consultant training. Classes will be held in the first half of 2008. ACEC is administering and paying for the training. To maintain focus, Context Sensitive Solutions has to be part of what your organization is about; therefore CSS is included in the department's Strategic Plan. We conducted CSS Training for MPO's at six locations across the state prior to Executive Directive prohibiting training. Additionally, we have continued participation on a National Co-operative Highway Research Project panel overseeing a benefit/cost analysis for implementing a CSS program.

We held numerous Stakeholder Engagement Sessions on major projects such as the DRIC and the Blue Water Bridge Projects. At the DRIC and Blue Water Bridge project workshops, stakeholders were given the opportunity to use electronic voting on numerous items. Project development staff throughout the state has continued to apply CSS principles to their everyday work.

Included in the next steps would be the completion of the Guidelines for Context Sensitive Solutions and Stakeholder Engagement and posting on the MDOT intranet web site, ongoing staff and consultant training, and continued participation in Outreach and Information Sessions.

Chair Wahby asked for questions; none were forthcoming.

Director Steudle showed a 7½ minute video was put out by AASHTO called "A New Vision for the 21st Century". This video was debuted at their annual meeting (September 2007) in Milwaukee. This presents the national view on where the transportation professionals in the country and some interested stakeholders feel that we should be moving towards, as well as some of the challenges that are facing us in all of the different modes.

Goals highlighted in the video include: reduce congestion, keep America globally competitive, and meet mobility needs.

Chair Wahby had to leave therefore turned the meeting over to Vice Chair Atkinson.

Director Steudle asked for questions.

Vice Chair Atkinson commented that one thing she found missing in this video, or at least not discussed, was the extent to which the department, Commission and others will

be involved in an energy policy and the technology that is going to be involved in meeting the challenges of those needs.

Director Steudle responded that there was a subtle piece in the video that talked about climate change and new energy sources. He assured her that this is “big on the minds” of those involved in those national discussions.

Vice Chair Atkinson commented that the funding is tied to the fuel and this is not just a future concern.

Director Steudle responded that there were two surface Transportation Commissions that were created under this last SAFETEA-LU Transportation Bill that are trying to address what the future funding should be. They have held Public Input Sessions across the country, as well as Hearings. They are due to come out with their report in spring of 2008. You can look and see what is happening within Michigan and know that that is happening within every state—gas prices are jumping from \$2.50 to \$3.10 or \$3.25 and back to \$2.95. One of the things we watch real closely is what is happening to our revenues on a monthly basis.

Vice Chair Atkinson commented that when they do the public hearing, one question she suspects we would be interested in knowing the answer to is how many people in the previous year purchased hybrids and how many plan to purchase them because as more and more people switch to either electrical or other adjustments in color, revenues tied to gasoline are going to change.

Director Steudle responded that the bigger impact would probably be how many people have changed their driving habits and patterns in order to find ways to save.

No other questions were forthcoming.

V. **PUBLIC COMMENTS**

Vice Chair Atkinson asked if any member of the audience wanted to address the Commission.

Mr. Rob Sisson, former Mayor of the City of Sturgis, past President and current board member of St. Joseph County Economic Development Corporation, stressed that his number one priority is the completion of US-131.

No other comments were forthcoming.

Vice Chair Atkinson asked if any Commissioner wanted to address the Commission.

Vice Chair Atkinson wished everyone happy and safe holidays wherever they may be traveling.

No other comments were forthcoming.

ADJOURNMENT

There being no further business to come before the Commission, Vice Chair Atkinson declared the meeting adjourned at 10:10 a.m.

The next full meeting of the Michigan State Transportation Commission will be held on January 31, 2008, in the 1st floor Bureau of Aeronautics Auditorium in Lansing, Michigan, beginning at the hour of 9:00 a.m.

Frank E. Kelley
Commission Advisor